

REQUIRES MONITORING
OR STAFF ACTION _____

COMMISSION DIRECTIVE

ADMINISTRATIVE MATTERS	<input type="checkbox"/>	DATE	<u>April 18, 2006</u>
MOTOR CARRIER MATTERS	<input type="checkbox"/>	DOCKET NO.	<u>2005-110-WS</u>
UTILITIES MATTERS	<input checked="" type="checkbox"/>		_____

SUBJECT:

DOCKET NO. 2005-110-WS – Petition of Office of Regulatory Staff to Request Forfeiture of the Piney Grove Utilities, Incorporated’s Bond and to Request Authority to Petition the Circuit Court for Appointment of a Receiver – Discuss with the Commission a Petition for Rehearing and/or Reconsideration Filed on Behalf of the Office of Regulatory Staff and the Petition for Rehearing Filed by Piney Grove Utilities Incorporated and D. Reese Williams, IV and Elizabeth Williams.

COMMISSION ACTION:

The most recent order in Docket No. 2005-110-WS, dated February 24, 2006 and titled “Order Approving Certain Relief and Holding Other Relief in Abeyance”, made the following three crucial findings concerning forfeiture of Piedmont Water Company’s bond to cover the operator and receivership liability of the Piney Grove Utility Company:

1. Piney Grove was consolidated under Piedmont in Docket No. 2000-588-W, and therefore the bond held by Piedmont covers Piney Grove;
2. Piney Grove’s failure to provide adequate and proper service to its customers has been willful and continued for an unreasonable length of time; and
3. A receiver, or any other appropriate party, may come back before the Commission at a later date to argue for forfeiture of the bond based on evidence quantifying expenditures to fix the obvious deficiencies in the Piney Grove System.

In relation to those findings, two matters are currently pending before the Commission concerning forfeiture of Piney Grove’s bond. In the first matter, Piney Grove has filed an “Application for Rehearing” with the Commission, requesting that the February 24 Order be “modified or amended to conclude that the bond in question does not ‘secure’ the performance of Piney Grove and/or the evidence adduced at the hearing of this matter was insufficient to support a finding of a willful failure to provide adequate and sufficient service for an unreasonable length of time.” I move that this “Application” be DENIED for the following reasons.

As to the Application’s first request, our February 24, 2006 Order clearly stated several reasons for the Commission’s finding that Piedmont’s bond secures the performance of Piney Grove. Additionally, in the December 7, 2000 application to consolidate Piney Grove under Piedmont, Piedmont stated clearly and unambiguously that it intended to cover Piney Grove’s liability under its bond. As to the Application’s second request as to sufficiency of evidence, this Commission’s February 24, 2006 Order has already set out equally clearly and unambiguously its findings that Piney Grove willfully failed to provide adequate and sufficient service for an unreasonable length of time. Additionally, as pointed out by ORS, “the Commission’s other findings that Piney Grove’s habitual disregard of state authority, knowing and willful failure to abide by the

Commission's and other regulations, and failure to attend to the obligations to its customers support the finding of willfulness."

The second matter before this Commission is the Office of Regulatory Staff's "Petition for Rehearing and/or Reconsideration," in which ORS requests either a reconsideration or rehearing of the February 24 Order, pursuant to S.C. Code Ann. § 58-5-330, to present evidence of itemized expenditures related to the costs of operation and receivership for forfeiting Piney Grove's bond. Based on our February 24 Order, I move that this Petition for rehearing be GRANTED, but limited to evidence of these itemized expenditures.

Therefore, I conclude that evidence for itemized expenditures incurred as operating and receivership costs should be presented in a future hearing, as allowed in our February 24 Order.

PRESIDING	<u>Mitchell</u>					
	MOTION	YES	NO	OTHER	APPROVED	<input type="checkbox"/>
					APPROVED STC 30	<input type="checkbox"/>
					DAYS	
CLYBURN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		ACCEPTED FOR FILING	<input type="checkbox"/>
FLEMING	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		DENIED	<input type="checkbox"/>
HAMILTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		AMENDED	<input type="checkbox"/>
HOWARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		TRANSFERRED	<input type="checkbox"/>
MITCHELL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		SUSPENDED	<input type="checkbox"/>
MOSELEY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		CANCELED	<input type="checkbox"/>
WRIGHT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Absent	SET FOR HEARING	<input type="checkbox"/>
Session:	Regular				ADVISED	<input type="checkbox"/>
Time of Session	<u>2:30 PM</u>				CARRIED OVER	<input type="checkbox"/>
					RECORDED BY	<u>JBS</u>

Commissioner Wright was on Annual Leave